UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended November 2, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission File Number 1-7562

THE GAP, INC.

(Exact name of registrant as specified in its charter)

Delaware	**94-1697231**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Two Folsom Street
San Francisco, California 94105
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(415) 427-0100**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.05 par value	**GAP**	**The New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer ☐	Non-accelerated filer ☐	Smaller reporting company ☐
			Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The number of shares of the registrant's common stock outstanding as of November 19, 2024 was 377,121,870.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. All statements other than those that are purely historical are forward-looking statements. Words such as “expect,” “anticipate,” “believe,” “estimate,” “intend,” “plan,” “project,” and similar expressions also identify forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding the following:

- the potential impact of global economic conditions on the assumptions and estimates used when preparing the Condensed Consolidated Financial Statements;
- the impact of recent accounting pronouncements;
- the timing of revenue recognition of upfront payments related to our credit card program agreement;
- the timing of recognition in income of unrealized gains and losses from designated cash flow hedges;
- the impact of losses due to indemnification obligations on the Condensed Consolidated Financial Statements;
- the outcome of proceedings, lawsuits, disputes, and claims, including the impact of such actions on the Condensed Consolidated Financial Statements and our financial results;
- meeting the closing conditions to transfer the Gap Taiwan operations;
- our arrangements with third parties to operate stores and websites selling apparel and related products under our brand names;
- maintaining and building upon financial and operational rigor, through an optimized cost structure and disciplined inventory management;
- reinvigorating our brands to drive relevance and an engaging omni-channel experience;
- strengthening and evolving our operating platform with a digital-first mindset to drive scale and efficiency;
- energizing our culture by attracting and retaining strong talent;
- continuing to integrate social and environmental sustainability into business practices to support long-term growth;
- the expected impact of the Pillar Two rules on our fiscal 2024 effective tax rate and ongoing monitoring of related legislative action;
- our ability to supplement near-term liquidity, if necessary, with our ABL Facility or other available market instruments;
- the impact of the seasonality of our operations, in addition to the impact of global economic conditions, on certain cash inflows and outflows;
- the ability of our cash flows from our operations, current balances of cash, cash equivalents, and short-term investments, the Senior Notes and the ABL Facility, and other available market instruments to support our business operations and liquidity requirements;
- the importance of our sustained ability to generate free cash flow, which is a non-GAAP financial measure and is defined and discussed in more detail in Part 1, Item 2 of this Form 10-Q below;
- our dividend policy, including the potential timing and amounts of future dividends; and
- the impact of changes in internal control over financial reporting.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results to differ materially from those in the forward-looking statements. These factors include, without limitation, the following risks, any of which could have an adverse effect on our business, financial condition, results of operations, or reputation:

- the overall global economic and geopolitical environment, including the ongoing Russia-Ukraine and Israel-Hamas conflicts and recent elections in the United States, and impacts on consumer spending patterns;
- social and political unrest in our sourcing countries, including Bangladesh, and disruptions to global trade and shipping capacity, including in the Red Sea;
- the risk that we or our franchisees may be unsuccessful in gauging apparel trends and changing consumer preferences or responding with sufficient lead time;
- the highly competitive nature of our business in the United States and internationally;
- the risk that we may be unable to manage our inventory effectively and the resulting impact on our gross margins and sales;
- the risk that our investments in customer, digital, and omni-channel shopping initiatives may not deliver the results we anticipate;
- the risk that we fail to maintain, enhance, and protect our brand image and reputation;

- the risk of loss or theft of assets, including inventory shortage;
- the risk that we fail to manage key executive succession and retention or continue to attract qualified personnel;
- reductions in income and cash flow from our credit card arrangement related to our private label and co-branded credit cards;
- the risk that changes in our business strategy or restructuring our operations may not generate the intended benefits or projected cost savings;
- the risk that trade matters could increase the cost or reduce the supply of apparel available to us;
- the risks to our business, including our costs and global supply chain, associated with global sourcing and manufacturing;
- the risks to our reputation or operations associated with importing merchandise from foreign countries, including failure of our vendors to adhere to our Code of Vendor Conduct;
- the risk that we or our franchisees may be unsuccessful in identifying, negotiating, and securing new store locations and renewing, modifying, or terminating leases for existing store locations effectively;
- engaging in or seeking to engage in strategic transactions that are subject to various risks and uncertainties;
- the risk that our efforts to expand internationally may not be successful;
- the risk that our franchisees and licensees could impair the value of our brands;
- the risk of data or other security breaches or vulnerabilities that may result in increased costs, violations of law, significant legal and financial exposure, and a loss of confidence in our security measures;
- the risk that failures of, or updates or changes to, our IT systems may disrupt our operations;
- the risk that our comparable sales and margins may experience fluctuations, that we may fail to meet financial market expectations, or that the seasonality of our business may experience fluctuations;
- the risk of foreign currency exchange rate fluctuations;
- the risk that our level of indebtedness may impact our ability to operate and expand our business;
- the risk that we and our subsidiaries may be unable to meet our obligations under our indebtedness agreements;
- the risk that changes in our credit profile or deterioration in market conditions may limit our access to the capital markets;
- natural disasters, public health crises (such as pandemics and epidemics), political crises (such as the ongoing Russia-Ukraine and Israel-Hamas conflicts), negative global climate patterns, or other catastrophic events;
- evolving regulations and expectations with respect to ESG matters, including climate reporting;
- the adverse effects of climate change on our operations and those of our franchisees, vendors, and other business partners;
- our failure to comply with applicable laws and regulations and changes in the regulatory or administrative landscape;
- the risk that we will not be successful in defending various proceedings, lawsuits, disputes, and claims;
- the risk that our estimates and assumptions used when preparing the Condensed Consolidated Financial Statements are inaccurate or may change;
- the risk that changes in the geographic mix and level of income or losses, the expected or actual outcome of audits, changes in deferred tax valuation allowances, and new legislation could impact our effective tax rate, or that we may be required to pay amounts in excess of established tax liabilities;
- the risk that changes in our business structure, our performance, or our industry could result in reductions in our pre-tax income or utilization of existing tax carryforwards in future periods, and require additional deferred tax valuation allowances; and
- the risk that the adoption of new accounting pronouncements will impact future results.

Additional information regarding factors that could cause results to differ can be found in our Annual Report on Form 10-K for the fiscal year ended February 3, 2024 and our other filings with the U.S. Securities and Exchange Commission.

Future economic and industry trends that could potentially impact net sales and profitability are difficult to predict. These forward-looking statements are based on information as of November 26, 2024. We assume no obligation to publicly update or revise our forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

We suggest that this document be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended February 3, 2024.

THE GAP, INC.
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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

THE GAP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

($ and shares in millions except par value)	November 2, 2024	February 3, 2024	October 28, 2023
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,969	$ 1,873	$ 1,351
Short-term investments	250	—	—
Merchandise inventory	2,331	1,995	2,377
Other current assets	580	527	646
Total current assets	5,130	4,395	4,374
Property and equipment, net of accumulated depreciation of $4,985, $4,874, and $4,890	2,546	2,566	2,552
Operating lease assets	3,217	3,115	3,200
Other long-term assets	960	968	926
Total assets	$ 11,853	$ 11,044	$ 11,052
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$ 1,523	$ 1,349	$ 1,433
Accrued expenses and other current liabilities	1,135	1,108	1,078
Current portion of operating lease liabilities	617	600	604
Income taxes payable	50	39	24
Total current liabilities	3,325	3,096	3,139
Long-term liabilities:			
Long-term debt	1,489	1,488	1,488
Long-term operating lease liabilities	3,360	3,353	3,456
Other long-term liabilities	544	512	509
Total long-term liabilities	5,393	5,353	5,453
Commitments and contingencies (see Note 9)			
Stockholders' equity:			
Common stock $0.05 par value			
Authorized 2,300 shares for all periods presented; Issued and Outstanding 377, 372, and 371 shares	19	19	18
Additional paid-in capital	177	113	93
Retained earnings	2,889	2,420	2,291
Accumulated other comprehensive income	50	43	58
Total stockholders' equity	3,135	2,595	2,460
Total liabilities and stockholders' equity	$ 11,853	$ 11,044	$ 11,052

See Accompanying Notes to Condensed Consolidated Financial Statements

THE GAP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

($ and shares in millions except per share amounts)	13 Weeks Ended November 2, 2024	13 Weeks Ended October 28, 2023	39 Weeks Ended November 2, 2024	39 Weeks Ended October 28, 2023
Net sales	$ 3,829	$ 3,767	$ 10,937	$ 10,591
Cost of goods sold and occupancy expenses	2,194	2,211	6,322	6,488
Gross profit	1,635	1,556	4,615	4,103
Operating expenses	1,280	1,306	3,762	3,757
Operating income	355	250	853	346
Interest expense	23	28	68	66
Interest income	(29)	(28)	(80)	(58)
Income before income taxes	361	250	865	338
Income tax expense	87	32	227	21
Net income	$ 274	$ 218	$ 638	$ 317
Weighted-average number of shares - basic	377	371	376	369
Weighted-average number of shares - diluted	383	375	383	373
Earnings per share - basic	$ 0.73	$ 0.59	$ 1.70	$ 0.86
Earnings per share - diluted	$ 0.72	$ 0.58	$ 1.67	$ 0.85

See Accompanying Notes to Condensed Consolidated Financial Statements

THE GAP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

($ in millions)	13 Weeks Ended November 2, 2024	13 Weeks Ended October 28, 2023	39 Weeks Ended November 2, 2024	39 Weeks Ended October 28, 2023
Net income	$ 274	$ 218	$ 638	$ 317
Other comprehensive income (loss), net of tax				
Foreign currency translation and other	(3)	5	—	1
Change in fair value of derivative financial instruments, net of tax expense of $1, $1, $6, $3	5	16	11	22
Reclassification adjustment for gains on derivative financial instruments, net of (tax expense) tax benefit of $(1), $1, $(6), $—	(3)	(7)	(4)	(13)
Other comprehensive income (loss), net of tax	(1)	14	7	10
Comprehensive income	$ 273	$ 232	$ 645	$ 327

See Accompanying Notes to Condensed Consolidated Financial Statements

THE GAP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

($ and shares in millions except per share amounts)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance as of August 3, 2024	376	$ 19	$ 159	$ 2,672	$ 51	$ 2,901
Net income for the 13 weeks ended November 2, 2024				274		274
Other comprehensive loss, net of tax					(1)	(1)
Issuance of common stock related to stock options and employee stock purchase plans	1	—	6			6
Issuance of common stock and withholding tax payments related to vesting of stock units	—	—	(15)			(15)
Share-based compensation, net of forfeitures			27			27
Common stock dividends declared and paid ($0.15 per share)				(57)		(57)
Balance as of November 2, 2024	377	$ 19	$ 177	$ 2,889	$ 50	$ 3,135
Balance as of July 29, 2023	369	$ 18	$ 73	$ 2,128	$ 44	$ 2,263
Net income for the 13 weeks ended October 28, 2023				218		218
Other comprehensive income, net of tax					14	14
Issuance of common stock related to stock options and employee stock purchase plans	1	—	5			5
Issuance of common stock and withholding tax payments related to vesting of stock units	1	—	(5)			(5)
Share-based compensation, net of forfeitures			20			20
Common stock dividends declared and paid ($0.15 per share)				(55)		(55)
Balance as of October 28, 2023	371	$ 18	$ 93	$ 2,291	$ 58	$ 2,460

See Accompanying Notes to Condensed Consolidated Financial Statements

THE GAP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

($ and shares in millions except per share amounts)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance as of February 3, 2024	372	$ 19	$ 113	$ 2,420	$ 43	$ 2,595
Net income for the 39 weeks ended November 2, 2024				638		638
Other comprehensive income, net of tax					7	7
Issuance of common stock related to stock options and employee stock purchase plans	2	—	27			27
Issuance of common stock and withholding tax payments related to vesting of stock units	3	—	(48)			(48)
Share-based compensation, net of forfeitures			85			85
Common stock dividends declared and paid ($0.45 per share)				(169)		(169)
Balance as of November 2, 2024	377	$ 19	$ 177	$ 2,889	$ 50	$ 3,135
Balance as of January 28, 2023	366	$ 18	$ 27	$ 2,140	$ 48	$ 2,233
Net income for the 39 weeks ended October 28, 2023				317		317
Other comprehensive income, net of tax					10	10
Issuance of common stock related to stock options and employee stock purchase plans	2	—	18			18
Issuance of common stock and withholding tax payments related to vesting of stock units	3	—	(16)			(16)
Share-based compensation, net of forfeitures			64			64
Common stock dividends declared and paid ($0.45 per share)				(166)		(166)
Balance as of October 28, 2023	371	$ 18	$ 93	$ 2,291	$ 58	$ 2,460

See Accompanying Notes to Condensed Consolidated Financial Statements

THE GAP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

($ in millions)	39 Weeks Ended November 2, 2024	39 Weeks Ended October 28, 2023
Cash flows from operating activities:		
Net income	$ 638	$ 317
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	371	394
Share-based compensation	85	64
Non-cash and other items	(4)	41
Gain on sale of building	—	(47)
Deferred income taxes	17	(27)
Changes in operating assets and liabilities:		
Merchandise inventory	(344)	(5)
Other current assets and other long-term assets	(35)	81
Accounts payable	156	133
Accrued expenses and other current liabilities	29	(11)
Income taxes payable, net of receivables and other tax-related items	50	50
Other long-term liabilities	(18)	(11)
Operating lease assets and liabilities, net	(75)	(147)
Net cash provided by operating activities	870	832
Cash flows from investing activities:		
Purchases of property and equipment	(330)	(288)
Net proceeds from sale of building	—	76
Purchases of short-term investments	(343)	—
Proceeds from sales and maturities of short-term investments	97	—
Net proceeds from divestiture activity, net of cash paid	—	9
Net cash used for investing activities	(576)	(203)
Cash flows from financing activities:		
Repayments of revolving credit facility	—	(350)
Proceeds from issuances under share-based compensation plans	27	18
Withholding tax payments related to vesting of stock units	(48)	(16)
Cash dividends paid	(169)	(166)
Other	(3)	(2)
Net cash used for financing activities	(193)	(516)
Effect of foreign exchange rate fluctuations on cash, cash equivalents, and restricted cash	(4)	(7)
Net increase in cash, cash equivalents, and restricted cash	97	106
Cash, cash equivalents, and restricted cash at beginning of period	1,901	1,273
Cash, cash equivalents, and restricted cash at end of period	$ 1,998	$ 1,379
Supplemental disclosure of cash flow information:		
Cash paid for interest during the period	$ 61	$ 72
Cash paid for income taxes during the period, net of refunds	$ 173	$ (1)

See Accompanying Notes to Condensed Consolidated Financial Statements

THE GAP, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Accounting Policies

Basis of Presentation

In the opinion of The Gap, Inc. (the “Company,” “we,” and “our”) management, the accompanying unaudited Condensed Consolidated Financial Statements contain all normal and recurring adjustments (except as otherwise disclosed) considered necessary to present fairly our financial position, results of operations, comprehensive income, stockholders' equity, and cash flows as of November 2, 2024 and October 28, 2023 and for all periods presented. The Condensed Consolidated Balance Sheet as of February 3, 2024 has been derived from our audited financial statements.

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and disclosures normally included in the notes to the annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) have been omitted from these interim financial statements, although the Company believes that the disclosures made are adequate to make the information not misleading. We suggest that you read these Condensed Consolidated Financial Statements in conjunction with the Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended February 3, 2024.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Additionally, these estimates and assumptions may change as a result of the impact of global economic conditions such as the uncertainty regarding global inflationary pressures, acts of terrorism or war, global credit and banking markets, and the geopolitical landscape including new legislation and the potential impacts of recent elections. We will continue to consider the impact of the global economic conditions on the assumptions and estimates used when preparing these Condensed Consolidated Financial Statements including inventory valuation, income taxes and valuation allowances, sales return and bad debt allowances, deferred revenue, and the impairment of long-lived assets. If the global economic conditions change beyond what is currently estimated by management, such future changes may have an adverse impact on the Company's results of operations and financial position.

Restricted Cash

As of November 2, 2024, February 3, 2024, and October 28, 2023, restricted cash primarily included consideration that serves as collateral for our insurance obligations and certain other obligations occurring in the normal course of business. The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within our Condensed Consolidated Balance Sheets to the total shown on our Condensed Consolidated Statements of Cash Flows:

($ in millions)	November 2, 2024	February 3, 2024	October 28, 2023
Cash and cash equivalents, per Condensed Consolidated Balance Sheets	$ 1,969	$ 1,873	$ 1,351
Restricted cash included in other long-term assets	29	28	28
Total cash, cash equivalents, and restricted cash, per Condensed Consolidated Statements of Cash Flows	$ 1,998	$ 1,901	$ 1,379

Accounting Pronouncements

Except as noted below, the Company has considered all recent accounting pronouncements and concluded that there are no recent accounting pronouncements that may have a material impact on our Condensed Consolidated Financial Statements and disclosures, based on current information.

Accounting Pronouncement Recently Adopted

ASU No. 2022-04, Disclosure of Supplier Finance Program Obligations

In September 2022, the Financial Accounting Standards Board ("FASB") issued accounting standards update ("ASU") No. 2022-04, Disclosure of Supplier Finance Program Obligations. The ASU is intended to enhance the transparency of the use of supplier finance programs by requiring additional disclosures about the program’s nature and potential magnitude, including a rollforward of the obligations and activity during the period. The ASU is effective retrospectively for fiscal years and interim periods within those years beginning after December 15, 2022, except for the amendment on rollforward information, which is effective prospectively for fiscal years beginning after December 15, 2023. The ASU does not affect the recognition, measurement, or financial statement presentation of supplier finance program obligations. We adopted the required guidance on January 29, 2023. See Note 12 of Notes to Condensed Consolidated Financial Statements for information regarding our supply chain finance program.

Accounting Pronouncements Not Yet Adopted

ASU No. 2023-07, Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU No. 2023-07, Improvements to Reportable Segment Disclosures. The ASU is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The ASU is effective retrospectively for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. We are currently assessing the impact that this ASU will have on the Company's disclosures.

ASU No. 2023-09, Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures. The ASU is intended to improve the transparency of income tax disclosures by requiring consistent categories and greater disaggregation of information in the rate reconciliation, as well as income taxes paid disaggregated by jurisdiction. The ASU is effective for annual periods beginning after December 15, 2024 and should be applied on a prospective basis, but retrospective application is permitted. We are currently assessing the impact that this ASU will have on the Company's disclosures.

ASU No. 2024-03, Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU No. 2024-03, Disaggregation of Income Statement Expenses. The ASU is intended to improve financial reporting by requiring disaggregated disclosure of certain costs and expenses. The ASU is effective for fiscal years beginning after December 15, 2026 and for interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The ASU may be applied on either a prospective or retrospective basis. We are currently assessing the impact that this ASU will have on the Company's disclosures.

Note 2. Revenue

We disaggregate our net sales by channel and also by brand and region. Net sales by region are allocated based on the location of the store where the customer paid for and received the merchandise; the distribution center or store from which the products were shipped; or the region of the franchise or licensing partner.

Net sales disaggregated by channel are as follows:

	13 Weeks Ended		39 Weeks Ended	
($ in millions)	**November 2, 2024**	**October 28, 2023**	**November 2, 2024**	**October 28, 2023**
Store and franchise sales	$ 2,289	$ 2,331	$ 6,871	$ 6,771
Online sales (1)	1,540	1,436	4,066	3,820
Total net sales	$ 3,829	$ 3,767	$ 10,937	$ 10,591

(1) Online sales primarily include sales originating from our online channel including those that are picked up or shipped from stores and net sales from revenue-generating strategic initiatives.

Net sales disaggregated by brand and region are as follows:

($ in millions) 13 Weeks Ended November 2, 2024	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other (2)	Total
U.S. (1)	$ 1,949	$ 683	$ 406	$ 281	$ 21	$ 3,340
Canada	190	95	43	9	—	337
Other regions	11	121	20	—	—	152
Total	$ 2,150	$ 899	$ 469	$ 290	$ 21	$ 3,829

($ in millions) 13 Weeks Ended October 28, 2023	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other (2)	Total
U.S. (1)	$ 1,917	$ 664	$ 398	$ 267	$ 15	$ 3,261
Canada	193	96	42	10	—	341
Other regions	16	127	20	2	—	165
Total	$ 2,126	$ 887	$ 460	$ 279	$ 15	$ 3,767

($ in millions) 39 Weeks Ended November 2, 2024	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other (2)	Total
U.S. (1)	$ 5,663	$ 1,775	$ 1,203	$ 926	$ 49	$ 9,616
Canada	495	238	122	29	—	884
Other regions	31	341	63	2	—	437
Total	$ 6,189	$ 2,354	$ 1,388	$ 957	$ 49	$ 10,937

($ in millions) 39 Weeks Ended October 28, 2023	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other (2)	Total
U.S. (1)	$ 5,353	$ 1,702	$ 1,187	$ 903	$ 29	$ 9,174
Canada	503	233	122	33	—	891
Other regions	59	399	63	5	—	526
Total	$ 5,915	$ 2,334	$ 1,372	$ 941	$ 29	$ 10,591

(1) U.S. includes the United States and Puerto Rico.

(2) Primarily consists of net sales from revenue-generating strategic initiatives.

We defer revenue when cash payments are received in advance of performance for unsatisfied obligations related to our gift cards, licensing agreements, outstanding loyalty points, and reimbursements of loyalty program discounts associated with our credit card agreement. For the 13 weeks ended November 2, 2024, the opening balance of deferred revenue for these obligations was $280 million, of which $95 million was recognized as revenue during the period. For the 39 weeks ended November 2, 2024, the opening balance of deferred revenue for these obligations was $337 million, of which $209 million was recognized as revenue during the period. The closing balance of deferred revenue for these obligations was $260 million as of November 2, 2024.

For the 13 weeks ended October 28, 2023, the opening balance of deferred revenue for these obligations was $327 million, of which $119 million was recognized as revenue during the period. For the 39 weeks ended October 28, 2023, the opening balance of deferred revenue for these obligations was $354 million, of which $227 million was recognized as revenue during the period. The closing balance of deferred revenue for these obligations was $315 million as of October 28, 2023.

In April 2021, the Company entered into agreements with Barclays and Mastercard relating to a long-term credit card program. The Company received an upfront payment of $60 million related to the agreements prior to the program launch in May 2022, which is being recognized as revenue over the term of the agreements. We also receive revenue sharing from our credit card agreement for private label and co-branded credit cards.

Note 3. Income Taxes

The effective income tax rate was 24.1 percent for the 13 weeks ended November 2, 2024, compared with 12.8 percent for the 13 weeks ended October 28, 2023. The increase is primarily due to changes in valuation allowances in the prior year.

The effective income tax rate was 26.2 percent for the 39 weeks ended November 2, 2024, compared with 6.2 percent for the 39 weeks ended October 28, 2023. The increase is primarily due to tax benefits recognized in the prior year from a U.S. transfer pricing settlement related to our sourcing activities, changes in valuation allowances in the prior year, current year increases to certain income tax reserves, and changes in the amount and mix of jurisdictional earnings, partially offset by a favorable impact from stock-based compensation.

Note 4. Debt and Credit Facilities

Long-term debt recorded on the Condensed Consolidated Balance Sheets consists of the following:

($ in millions)	November 2, 2024	February 3, 2024	October 28, 2023
2029 Notes	$ 750	$ 750	$ 750
2031 Notes	750	750	750
Less: Unamortized debt issuance costs	(11)	(12)	(12)
Total long-term debt	$ 1,489	$ 1,488	$ 1,488

The scheduled maturity of the Senior Notes is as follows:

Scheduled Maturity ($ in millions)	Principal	Interest Rate	Interest Payments
October 1, 2029 (1)	$ 750	3.625 %	Semi-Annual
October 1, 2031 (2)	750	3.875 %	Semi-Annual
Total issuance	$ 1,500		

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(1) On or after October 1, 2024, includes an option to redeem the 2029 Notes, in whole or in part at any time, at stated redemption prices.

(2) Includes an option to redeem the 2031 Notes, in whole or in part at any time, subject to a make-whole premium, prior to October 1, 2026. On or after October 1, 2026, includes an option to redeem the 2031 Notes, in whole or in part at any time, at stated redemption prices.

We have $1.5 billion aggregate principal amount of 3.625 percent senior notes due 2029 (“2029 Notes”) and 3.875 percent senior notes due 2031 (“2031 Notes”) (the 2029 Notes and the 2031 Notes, collectively, the “Senior Notes”). As of November 2, 2024, the aggregate estimated fair value of the Senior Notes was $1.31 billion and was based on the quoted market prices for each of the Senior Notes (level 1 inputs) as of the last business day of the fiscal quarter. The aggregate principal amount of the Senior Notes is recorded in long-term debt on the Condensed Consolidated Balance Sheets, net of the unamortized debt issuance costs.

We also have a senior secured asset-based revolving credit agreement (the "ABL Facility"), which has a $2.2 billion borrowing capacity and generally bears interest at a per annum rate based on Secured Overnight Financing Rate ("SOFR") (subject to a zero floor) plus a margin, depending on borrowing base availability. The ABL Facility is scheduled to expire in July 2027. The ABL Facility is available for working capital, capital expenditures, and other general corporate purposes.

There were no borrowings under the ABL Facility as of November 2, 2024, February 3, 2024, or October 28, 2023.

We also have the ability to issue letters of credit on our ABL Facility. As of November 2, 2024, we had $47 million in standby letters of credit issued under the ABL Facility.

Note 5. Fair Value Measurements

The Company measures certain financial assets and liabilities at fair value on a recurring basis. The Company categorizes financial assets and liabilities recorded at fair value based upon a three-level hierarchy that considers the related valuation techniques.

There were no material purchases, sales, issuances, or settlements related to recurring level 3 measurements for the 13 and 39 weeks ended November 2, 2024 or October 28, 2023.

Financial assets and liabilities measured at fair value on a recurring basis and cash equivalents are as follows:

($ in millions)	November 2, 2024	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash equivalents	$ 8	$ 1	$ 7	$ —
Short-term investments	250	130	120	—
Derivative financial instruments	19	—	19	—
Deferred compensation plan assets	38	38	—	—
Other assets	4	—	—	4
Total	$ 319	$ 169	$ 146	$ 4
Liabilities:				
Derivative financial instruments	$ 1	$ —	$ 1	$ —

($ in millions)	February 3, 2024	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash equivalents	$ 1	$ —	$ 1	$ —
Derivative financial instruments	7	—	7	—
Deferred compensation plan assets	31	31	—	—
Other assets	4	—	—	4
Total	$ 43	$ 31	$ 8	$ 4
Liabilities:				
Derivative financial instruments	$ 8	$ —	$ 8	$ —

($ in millions)	October 28, 2023	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash equivalents	$ 1	$ —	$ 1	$ —
Derivative financial instruments	34	—	34	—
Deferred compensation plan assets	31	31	—	—
Other assets	4	—	—	4
Total	$ 70	$ 31	$ 35	$ 4
Liabilities:				
Derivative financial instruments	$ —	$ —	$ —	$ —

We have highly liquid fixed and variable income investments classified as cash equivalents and short-term investments. All highly liquid investments with original maturities of three months or less at the time of purchase are classified as cash and cash equivalents on the Condensed Consolidated Balance Sheets. Our cash equivalents are placed primarily in debt securities which are recorded at fair value using market prices for identical or similar assets and time deposits which are recorded at amortized cost. We also have highly liquid investments with original maturities of greater than three months and less than two years that are classified as short-term investments on the Condensed Consolidated Balance Sheet. These debt securities are also recorded at fair value using market prices for identical or similar assets.

There were no material realized or unrealized gains or losses or impairment charges related to short-term investments during the 13 and 39 weeks ended November 2, 2024.

Derivative financial instruments primarily include foreign exchange forward contracts. See Note 6 of Notes to Condensed Consolidated Financial Statements for information regarding currencies hedged against the U.S. dollar.

We maintain the Gap, Inc. Deferred Compensation Plan ("DCP"), which allows eligible employees to defer base compensation and bonus up to a maximum percentage, and non-employee directors to defer receipt of a portion of their Board fees. Plan investments are directed by participants and are recorded at market value and designated for the DCP. The fair value of the Company's DCP assets is determined based on quoted market prices, and the assets are recorded in other long-term assets on the Condensed Consolidated Balance Sheets.

Nonfinancial Assets

We review the carrying amount of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The fair value of the long-lived assets is determined using level 3 inputs and based on discounted future cash flows of the asset or asset group using a discount rate commensurate with the risk. The asset group is defined as the lowest level for which identifiable cash flows are available and largely independent of the cash flows of other groups of assets, which for our retail stores is at the store level.

There were no material impairment charges recorded for long-lived assets during the 13 and 39 weeks ended November 2, 2024 or October 28, 2023.

We review the carrying amount of goodwill and other indefinite-lived intangible assets for impairment annually and whenever events or changes in circumstances indicate that it is more likely than not that the carrying amount may not be recoverable.

There were no impairment charges recorded for goodwill or other indefinite-lived intangible assets for the 13 and 39 weeks ended November 2, 2024 or October 28, 2023.

Note 6. Derivative Financial Instruments

We operate in foreign countries, which exposes us to market risk associated with foreign currency exchange rate fluctuations. We use derivative financial instruments to manage our exposure to foreign currency exchange rate risk and do not enter into derivative financial contracts for trading purposes. Consistent with our risk management guidelines, we hedge a portion of our transactions related to merchandise purchases for foreign operations and certain intercompany transactions using foreign exchange forward contracts. These contracts are entered into with large, reputable financial institutions that are monitored for counterparty risk. The currencies hedged against changes in the U.S. dollar are the Canadian dollar, Japanese yen, British pound, New Taiwan dollar, and Euro. Cash flows from derivative financial instruments are classified as cash flows from operating activities on the Condensed Consolidated Statements of Cash Flows.

Derivative financial instruments are recorded at fair value on the Condensed Consolidated Balance Sheets as other current assets, other long-term assets, accrued expenses and other current liabilities, or other long-term liabilities.

Cash Flow Hedges

We designate foreign exchange forward contracts used to hedge forecasted merchandise purchases and related costs denominated in U.S. dollars made by our international subsidiaries whose functional currencies are their local currencies as cash flow hedges. The foreign exchange forward contracts entered into to hedge forecasted merchandise purchases and related costs generally have terms of up to 24 months. The effective portion of the gain or loss on the derivative financial instruments is reported as a component of other comprehensive income (loss) and is recognized into net income during the period in which the underlying transaction impacts the Condensed Consolidated Statements of Operations.

Other Derivatives Not Designated as Hedging Instruments

We use foreign exchange forward contracts to hedge our market risk exposure associated with foreign currency exchange rate fluctuations for certain intercompany balances denominated in currencies other than the functional currency of the entity with the intercompany balance. The gain or loss on the derivative financial instruments that represent economic hedges, as well as the remeasurement impact of the underlying intercompany balances, is recorded in operating expenses on the Condensed Consolidated Statements of Operations in the same period and generally offset each other.

Outstanding Notional Amounts

We had foreign exchange forward contracts outstanding in the following notional amounts:

($ in millions)	November 2, 2024	February 3, 2024	October 28, 2023
Derivatives designated as cash flow hedges	$ 458	$ 381	$ 357
Derivatives not designated as hedging instruments	427	568	526
Total	$ 885	$ 949	$ 883

Quantitative Disclosures about Derivative Financial Instruments

The fair values of foreign exchange forward contracts are as follows:

($ in millions)	November 2, 2024	February 3, 2024	October 28, 2023
Derivatives designated as cash flow hedges:			
Other current assets	$ 10	$ 6	$ 13
Other long-term assets	1	—	2
Accrued expenses and other current liabilities	—	2	—
Derivatives not designated as hedging instruments:			
Other current assets	8	1	19
Accrued expenses and other current liabilities	1	6	—
Total derivatives in an asset position	$ 19	$ 7	$ 34
Total derivatives in a liability position	$ 1	$ 8	$ —

The majority of the unrealized gains and losses from designated cash flow hedges as of November 2, 2024 will be recognized in income within the next 12 months at the then-current values, which may differ from the fair values as of November 2, 2024 shown above.

Our foreign exchange forward contracts are subject to master netting arrangements with each of our counterparties and such arrangements are enforceable in the event of default or early termination of the contract. We do not elect to offset the fair values of our derivative financial instruments on the Condensed Consolidated Balance Sheets, and as such, the fair values shown above represent gross amounts. The amounts subject to enforceable master netting arrangements were not material for all periods presented.

See Note 5 of Notes to Condensed Consolidated Financial Statements for disclosures on the fair value measurements of our derivative financial instruments.

The pre-tax amounts recognized in net income related to derivative instruments are as follows:

	Location and Amount of Gain Recognized in Net Income			
	13 Weeks Ended November 2, 2024		13 Weeks Ended October 28, 2023	
($ in millions)	Cost of goods sold and occupancy expenses	Operating expenses	Cost of goods sold and occupancy expenses	Operating expenses
Total amount of expense line items presented in the Condensed Consolidated Statements of Operations in which the effects of derivatives are recorded	$ 2,194	$ 1,280	$ 2,211	$ 1,306
Gain recognized in net income				
Derivatives designated as cash flow hedges	(4)	—	(6)	—
Derivatives not designated as hedging instruments	—	(4)	—	(27)
Total gain recognized in net income	$ (4)	$ (4)	$ (6)	$ (27)

($ in millions)	Location and Amount of Gain Recognized in Net Income			
	39 Weeks Ended November 2, 2024		39 Weeks Ended October 28, 2023	
	Cost of goods sold and occupancy expense	Operating expenses	Cost of goods sold and occupancy expense	Operating expenses
Total amount of expense line items presented in the Condensed Consolidated Statements of Operations in which the effects of derivatives are recorded	$ 6,322	$ 3,762	$ 6,488	$ 3,757
Gain recognized in net income				
Derivatives designated as cash flow hedges	(10)	—	(13)	—
Derivatives not designated as hedging instruments	—	(17)	—	(25)
Total gain recognized in net income	$ (10)	$ (17)	$ (13)	$ (25)

Note 7. Share Repurchases

In February 2019, the Company's Board of Directors (the "Board") approved a $1.0 billion share repurchase authorization (the "February 2019 repurchase program"). There were no shares repurchased, excluding shares withheld to settle employee tax withholding payments related to the vesting of stock units, during the 13 and 39 weeks ended November 2, 2024 and October 28, 2023. The February 2019 repurchase program had $476 million remaining as of November 2, 2024. All common stock repurchased is immediately retired.

Note 8. Earnings Per Share

Weighted-average number of shares used for earnings per share is as follows:

(shares in millions)	13 Weeks Ended		39 Weeks Ended	
	November 2, 2024	October 28, 2023	November 2, 2024	October 28, 2023
Weighted-average number of shares - basic	377	371	376	369
Common stock equivalents	6	4	7	4
Weighted-average number of shares - diluted	383	375	383	373

The anti-dilutive shares related to stock options and other stock awards excluded from the computation of weighted-average number of shares – diluted were 2 million and 5 million for the 13 weeks ended November 2, 2024 and October 28, 2023, respectively, and 3 million and 6 million for the 39 weeks ended November 2, 2024 and October 28, 2023, respectively, as their inclusion would have an anti-dilutive effect on earnings per share.

Note 9. Commitments and Contingencies

We are a party to a variety of contractual agreements under which we may be obligated to indemnify the other party for certain matters. These contracts primarily relate to our commercial contracts, operating leases, trademarks, intellectual property, financial agreements, and various other agreements. Under these contracts, we may provide certain routine indemnifications relating to representations and warranties (e.g., ownership of assets, environmental or tax indemnifications), or personal injury matters. The terms of these indemnifications range in duration and may not be explicitly defined. Generally, the maximum obligation under such indemnifications is not explicitly stated, and as a result, the overall amount of these obligations cannot be reasonably estimated. Historically, we have not made significant payments for these indemnifications. We believe that if we were to incur a loss in any of these matters, the loss would not have a material effect on our Condensed Consolidated Financial Statements taken as a whole.

As a multinational company, we are subject to various proceedings, lawsuits, disputes, and claims ("Actions") arising in the ordinary course of our business. Many of these Actions raise complex factual and legal issues and are subject to uncertainties. As of November 2, 2024, Actions filed against us included commercial, intellectual property, customer, employment, securities, and data privacy claims, including class action lawsuits. The plaintiffs in some Actions seek unspecified damages or injunctive relief, or both. Actions are in various procedural stages and some are covered in part by insurance. As of November 2, 2024, February 3, 2024, and October 28, 2023, we recorded a liability for an estimated loss if the outcome of an Action is expected to result in a loss that is considered probable and reasonably estimable. The liability recorded was not material for any individual Action or in total for all periods presented. Subsequent to November 2, 2024, and through the filing date of this Quarterly Report on Form 10-Q, no information has become available that indicates a change is required that would be material to our Condensed Consolidated Financial Statements taken as a whole.

We cannot predict with assurance the outcome of Actions brought against us. However, we do not believe that the outcome of any current Action would have a material effect on our Condensed Consolidated Financial Statements taken as a whole.

Note 10. Segment Information

We identify our operating segments according to how our business activities are managed and evaluated. As of November 2, 2024, our operating segments included: Old Navy Global, Gap Global, Banana Republic Global, and Athleta Global. Each of our brands serves customer demand through our store and franchise channel and our online channel, leveraging our omni-channel capabilities that allow customers to shop seamlessly across all of our brands. We have determined that each of our operating segments share similar economic and other qualitative characteristics, and therefore the results of our operating segments are aggregated into one reportable segment as of November 2, 2024. We continually monitor and review our segment reporting structure in accordance with authoritative guidance to determine whether any changes have occurred that would impact our reportable segments.

See Note 2 of Notes to Condensed Consolidated Financial Statements for disaggregation of revenue by channel and by brand and region.

Note 11. Divestitures

On November 7, 2022, we signed agreements to transition our Gap China and Gap Taiwan ("Gap Greater China") operations to a third party, Baozun Inc. ("Baozun"), to operate Gap Greater China stores and the in-market website as a franchise partner, subject to regulatory approvals and closing conditions. On January 31, 2023, the Gap China transaction closed with Baozun. The impact upon divestiture was not material to our results of operations for the 39 weeks ended October 28, 2023. The Gap Taiwan operations will continue to operate as usual until regulatory approvals and closing conditions are met.

Note 12. Supply Chain Finance Program

Our voluntary supply chain finance ("SCF") program provides certain suppliers with the opportunity to sell their receivables due from us to participating financial institutions at the sole discretion of both the suppliers and the financial institutions. We are not a party to the agreements between our suppliers and the financial institutions and our payment terms are not impacted by whether a supplier participates in the SCF program.

The Company's outstanding obligations under the SCF program were $350 million, $373 million, and $344 million as of November 2, 2024, February 3, 2024, and October 28, 2023, respectively, and were included in accounts payable on the Condensed Consolidated Balance Sheets.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

OUR BUSINESS

We are a collection of lifestyle brands offering apparel, accessories, and personal care products for men, women, and children under the Old Navy, Gap, Banana Republic, and Athleta brands. We have Company-operated stores in the United States, Canada, Japan, and Taiwan. Our products are available to customers online through Company-owned websites and through third-party arrangements. We also have franchise agreements to operate Old Navy, Gap, Banana Republic, and Athleta throughout Asia, Europe, Latin America, the Middle East, and Africa. Under these agreements, third parties operate, or will operate, stores and websites that sell apparel and related products under our brand names. In addition to operating in the specialty, outlet, online, and franchise channels, we use our omni-channel capabilities to bridge the digital world and physical stores to further enhance our shopping experience for our customers. Our omni-channel services, including buy online pick-up in store, order-in-store, find-in-store, and ship-from-store, as well as enhanced mobile-enabled experiences, are tailored uniquely across our collection of brands. Most of the products sold under our brand names are designed by us and manufactured by independent sources.

OVERVIEW

Financial results for the third quarter of fiscal 2024 are as follows:

- Net sales for the third quarter of fiscal 2024 increased 2 percent compared with the third quarter of fiscal 2023.
- Store and franchise sales for the third quarter of fiscal 2024 decreased 2 percent compared with the third quarter of fiscal 2023 and online sales for the third quarter of fiscal 2024 increased 7 percent compared with the third quarter of fiscal 2023.
- Gross profit for the third quarter of fiscal 2024 was $1.64 billion compared with $1.56 billion for the third quarter of fiscal 2023. Gross margin for the third quarter of fiscal 2024 was 42.7 percent compared with 41.3 percent for the third quarter of fiscal 2023.
- Operating income for the third quarter of fiscal 2024 was $355 million compared with $250 million for the third quarter of fiscal 2023.
- The effective income tax rate for the third quarter of fiscal 2024 was 24.1 percent compared with 12.8 percent for the third quarter of fiscal 2023.
- Net income for the third quarter of fiscal 2024 was $274 million compared with $218 million for the third quarter of fiscal 2023.
- Diluted earnings per share was $0.72 for the third quarter of fiscal 2024 compared with $0.58 for the third quarter of fiscal 2023.
- Merchandise inventory as of the third quarter of fiscal 2024 decreased 2 percent compared with the third quarter of fiscal 2023.

We are focused on the following strategic priorities in the near term:

- maintaining and building upon financial and operational rigor, through an optimized cost structure and disciplined inventory management;
- reinvigorating our brands to drive relevance and an engaging omni-channel experience;
- strengthening and evolving our operating platform with a digital-first mindset to drive scale and efficiency;
- energizing our culture by attracting and retaining strong talent; and
- continuing to integrate social and environmental sustainability into business practices to support long-term growth.

RESULTS OF OPERATIONS

Net Sales

See Note 2 of Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q, for net sales disaggregation.

Comparable Sales ("Comp Sales")

Fiscal 2024 consists of 52 weeks versus 53 weeks in fiscal 2023. Due to the 53rd week in fiscal 2023, in order to maintain consistency, Comp Sales for the third quarter of fiscal 2024 and the first three quarters of fiscal 2024 are compared to the 13 and 39 weeks ended November 4, 2023.

Comp Sales include the results of Company-operated stores and sales through our online channel. The calculation of Comp Sales excludes the results of the franchise and licensing business.

A store is included in the Comp Sales calculations when it has been open and operated by the Company for at least one year and the selling square footage has not changed by 15 percent or more within the past year. A store is included in the Comp Sales calculations on the first day it has comparable prior year sales. Stores in which the selling square footage has changed by 15 percent or more as a result of a remodel, expansion, or reduction are excluded from the Comp Sales calculations until the first day they have comparable prior year sales.

A store is considered non-comparable ("Non-comp") when it has been open and operated by the Company for less than one year or has changed its selling square footage by 15 percent or more within the past year.

A store is considered "Closed" if it is temporarily closed for three or more full consecutive days or it is permanently closed. When a temporarily closed store reopens, the store will be placed in the Comp/Non-comp status it was in prior to its closure. If a store was in Closed status for three or more days in the prior year, the store will be in Non-comp status for the same days the following year.

Current year foreign exchange rates are applied to both current year and prior year Comp Sales to achieve a consistent basis for comparison.

The percentage change in Comp Sales by global brand and for The Gap, Inc., as compared with the preceding year, is as follows:

	13 Weeks Ended		39 Weeks Ended	
	November 2, 2024	October 28, 2023	November 2, 2024	October 28, 2023
Old Navy Global	— %	1 %	3 %	(2)%
Gap Global	3 %	(1)%	3 %	— %
Banana Republic Global	(1)%	(8)%	— %	(8)%
Athleta Global	5 %	(19)%	1 %	(13)%
The Gap, Inc.	1 %	(2)%	2 %	(3)%

Store count, openings, closings, and square footage for our stores are as follows:

	February 3, 2024	39 Weeks Ended November 2, 2024		November 2, 2024	
	Number of Store Locations	Number of Stores Opened	Number of Stores Closed	Number of Store Locations	Square Footage (in millions)
Old Navy North America	1,243	19	7	1,255	19.9
Gap North America	472	3	14	461	4.9
Gap Asia	134	—	9	125	1.1
Banana Republic North America	400	3	10	393	3.3
Banana Republic Asia	43	2	5	40	0.1
Athleta North America	270	2	2	270	1.1
Company-operated stores total	2,562	29	47	2,544	30.4
Franchise	998	121	60	1,059	N/A
Total	3,560	150	107	3,603	30.4
Increase (decrease) over prior year				2.0 %	(1.6)%

	January 28, 2023	39 Weeks Ended October 28, 2023		October 28, 2023	
	Number of Store Locations	Number of Stores Opened	Number of Stores Closed	Number of Store Locations	Square Footage (in millions)
Old Navy North America	1,238	24	11	1,251	19.9
Gap North America	493	1	14	480	5.1
Gap Asia (1)	232	1	7	137	1.2
Banana Republic North America	419	2	13	408	3.4
Banana Republic Asia	46	4	2	48	0.2
Athleta North America	257	24	7	274	1.1
Company-operated stores total	2,685	56	54	2,598	30.9
Franchise (1)	667	219	85	935	N/A
Total	3,352	275	139	3,533	30.9
Increase (decrease) over prior year				4.5 %	(4.6)%

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(1) The 89 Gap China stores that were transitioned to Baozun during the period are not included as store closures or openings for Company-operated and Franchise store activity. The ending balance for Gap Asia excludes Gap China stores and the ending balance for Franchise includes Gap China locations transitioned during the period.

Outlet and factory stores are reflected in each of the respective brands.

Net Sales

Our net sales increased $62 million, or 2 percent, during the third quarter of fiscal 2024 compared with the third quarter of fiscal 2023, driven primarily by an increase in online sales. Our net sales increased $346 million, or 3 percent, during the first three quarters of fiscal 2024 compared with the first three quarters of fiscal 2023, driven primarily by an increase in Comp Sales.

Cost of Goods Sold and Occupancy Expenses

	13 Weeks Ended		39 Weeks Ended	
($ in millions)	**November 2, 2024**	**October 28, 2023**	**November 2, 2024**	**October 28, 2023**
Cost of goods sold and occupancy expenses	$ 2,194	$ 2,211	$ 6,322	$ 6,488
Gross profit	$ 1,635	$ 1,556	$ 4,615	$ 4,103
Cost of goods sold and occupancy expenses as a percentage of net sales	57.3 %	58.7 %	57.8 %	61.3 %
Gross margin	42.7 %	41.3 %	42.2 %	38.7 %

Cost of goods sold and occupancy expenses decreased 1.4 percentage points as a percentage of net sales in the third quarter of fiscal 2024 compared with the third quarter of fiscal 2023.

- Cost of goods sold decreased 0.9 percentage points as a percentage of net sales in the third quarter of fiscal 2024 compared with the third quarter of fiscal 2023, primarily driven by disciplined inventory management. The impact of commodity costs was relatively flat for the third quarter of fiscal 2024 compared with the third quarter of fiscal 2023.
- Occupancy expenses decreased 0.5 percentage points as a percentage of net sales in the third quarter of fiscal 2024 compared with the third quarter of fiscal 2023, primarily driven by an increase in online sales without a corresponding increase in occupancy expenses.

Cost of goods sold and occupancy expenses decreased 3.5 percentage points as a percentage of net sales in the first three quarters of fiscal 2024 compared with the first three quarters of fiscal 2023.

- Cost of goods sold decreased 2.8 percentage points as a percentage of net sales in the first three quarters of fiscal 2024 compared with the first three quarters of fiscal 2023, primarily driven by lower commodity costs and improved promotional activity.
- Occupancy expenses decreased 0.7 percentage points as a percentage of net sales in the first three quarters of fiscal 2024 compared with the first three quarters of fiscal 2023, primarily driven by an increase in net sales without a corresponding increase in occupancy expenses.

Operating Expenses

	13 Weeks Ended		39 Weeks Ended	
($ in millions)	**November 2, 2024**	**October 28, 2023**	**November 2, 2024**	**October 28, 2023**
Operating expenses	$ 1,280	$ 1,306	$ 3,762	$ 3,757
Operating expenses as a percentage of net sales	33.4 %	34.7 %	34.4 %	35.5 %
Operating margin	9.3 %	6.6 %	7.8 %	3.3 %

Operating expenses decreased $26 million, or 1.3 percentage points as a percentage of net sales during the third quarter of fiscal 2024 compared with the third quarter of fiscal 2023, primarily due to a decrease in advertising expenses.

Operating expenses increased $5 million, but decreased 1.1 percentage points as a percentage of net sales during the first three quarters of fiscal 2024 compared with the first three quarters of fiscal 2023, due to an increase in net sales as well as the following:

- an increase in performance-based compensation; and
- a gain on sale of building of $47 million that occurred during the first quarter of fiscal 2023; partially offset by
- restructuring expenses of $89 million incurred during the first three quarters of fiscal 2023 as a result of actions taken to simplify and optimize our operating model and structure; and
- a decrease in advertising expenses.

Interest Expense

($ in millions)	13 Weeks Ended November 2, 2024	13 Weeks Ended October 28, 2023	39 Weeks Ended November 2, 2024	39 Weeks Ended October 28, 2023
Interest expense	$ 23	$ 28	$ 68	$ 66

Interest expense primarily includes interest on outstanding borrowings and obligations mainly related to our Senior Notes and tax-related interest expense.

Interest Income

($ in millions)	13 Weeks Ended November 2, 2024	13 Weeks Ended October 28, 2023	39 Weeks Ended November 2, 2024	39 Weeks Ended October 28, 2023
Interest income	$ (29)	$ (28)	$ (80)	$ (58)

Interest income increased slightly during the third quarter of fiscal 2024 compared with the third quarter of fiscal 2023, primarily due to higher cash balances, partially offset by a decrease in tax-related interest income. Interest income increased $22 million during the first three quarters of fiscal 2024 compared with the first three quarters of fiscal 2023, primarily due to higher cash balances and higher interest rates during the first half of fiscal 2024, partially offset by a decrease in tax-related interest income.

Income Taxes

($ in millions)	13 Weeks Ended November 2, 2024	13 Weeks Ended October 28, 2023	39 Weeks Ended November 2, 2024	39 Weeks Ended October 28, 2023
Income tax expense	$ 87	$ 32	$ 227	$ 21
Effective tax rate	24.1 %	12.8 %	26.2 %	6.2 %

The increase in the effective tax rate for the third quarter of fiscal 2024 compared with the third quarter of fiscal 2023 is primarily due to changes in valuation allowances in the prior year.

The increase in the effective tax rate for the first three quarters of fiscal 2024 compared with the first three quarters of fiscal 2023 is primarily due to tax benefits recognized in the prior year from a U.S. transfer pricing settlement related to our sourcing activities, changes in valuation allowances in the prior year, current year increases to certain income tax reserves, and changes in the amount and mix of jurisdictional earnings, partially offset by a favorable impact from stock-based compensation.

The Organization for Economic Co-operation and Development ("OECD") has introduced a new global minimum corporate tax of 15%, commonly referred to as Pillar Two. The rules, as they currently stand, did not have a material impact on the effective tax rate for the third quarter of fiscal 2024 or for the first three quarters of fiscal 2024 and are not expected to have a material impact on our fiscal 2024 effective tax rate. We will continue to monitor U.S. and global legislative action related to Pillar Two for potential impacts.

LIQUIDITY AND CAPITAL RESOURCES

In addition to our cash flows from operating activities, our primary sources of liquidity include cash and cash equivalents, short-term investments, our Senior Notes, and our ABL Facility. As of November 2, 2024, we had cash and cash equivalents of $1.97 billion and short-term investments of $250 million. We hold our cash, cash equivalents, and short-term investments across a diversified set of reputable financial institutions and monitor the credit standing of those financial institutions. In addition, we have issued $1.5 billion aggregate principal amount of our Senior Notes, and are also able to supplement near-term liquidity, if necessary, with our ABL Facility or other available market instruments. There were no borrowings under the ABL Facility as of November 2, 2024. See Note 4 of Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q, for disclosures on the Senior Notes and ABL Facility.

Our largest source of operating cash flows is cash collections from the sale of our merchandise. Our primary uses of cash include merchandise inventory purchases, lease and occupancy costs, personnel-related expenses, purchases of property and equipment, shipping costs, and payment of taxes. The seasonality of our operations, in addition to the impact of global economic conditions such as the uncertainty surrounding global inflationary pressures, acts of terrorism or war, global credit and banking markets, and the geopolitical landscape including new legislation and the potential impacts of recent elections, may lead to significant fluctuations in certain asset and liability accounts as well as cash inflows and outflows between fiscal year-end and subsequent interim periods.

Our voluntary SCF program provides certain suppliers with the opportunity to sell their receivables due from us to participating financial institutions at the sole discretion of both the suppliers and the financial institutions. We are not a party to the agreements between our suppliers and the financial institutions and our payment terms are not impacted by whether a supplier participates in the SCF program. See Note 12 of Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q, for disclosures on the Company's SCF program.

We believe our existing balances of cash, cash equivalents, and short-term investments, along with our cash flows from operations, and instruments mentioned above, provide sufficient funds for our business operations as well as capital expenditures, dividends, and other liquidity requirements associated with our business operations over the next 12 months and beyond.

Cash Flows from Operating Activities

Net cash provided by operating activities increased $38 million during the first three quarters of fiscal 2024 compared with the first three quarters of fiscal 2023, primarily due to the following:

Net Income

- an increase in net income;

Non-cash item

- an increase of $47 million due to a gain that occurred during the first three quarters of fiscal 2023 resulting from the sale of a building;

Change in operating assets and liabilities

- a decrease of $339 million related to merchandise inventory due to the seasonal increase in inventory during the first three quarters of fiscal 2024 compared with no increase in the first three quarters of fiscal 2023 due to an elevated opening balance of inventory.

Cash Flows from Investing Activities

Net cash used for investing activities increased $373 million during the first three quarters of fiscal 2024 compared with the first three quarters of fiscal 2023, primarily due to the following:

- $246 million of net purchases of short-term investments during the first three quarters of fiscal 2024; and
- $76 million in net proceeds from the sale of a building during the first three quarters of fiscal 2023.

Cash Flows from Financing Activities

Net cash used for financing activities decreased $323 million during the first three quarters of fiscal 2024 compared with the first three quarters of fiscal 2023, primarily due to $350 million for repayments of revolving credit facility borrowings during the first three quarters of fiscal 2023.

Free Cash Flow

Free cash flow is a non-GAAP financial measure. We believe free cash flow is an important metric because it represents a measure of how much cash a company has available for discretionary and non-discretionary items after the deduction of capital expenditures. We require regular capital expenditures including technology improvements as well as building and maintaining our stores and distribution centers. We use this metric internally, as we believe our sustained ability to generate free cash flow is an important driver of value creation. However, this non-GAAP financial measure is not intended to supersede or replace our GAAP results.

The following table reconciles free cash flow, a non-GAAP financial measure, from a GAAP financial measure.

	39 Weeks Ended	
($ in millions)	**November 2, 2024**	**October 28, 2023**
Net cash provided by operating activities	$ 870	$ 832
Less: Purchases of property and equipment	(330)	(288)
Free cash flow	$ 540	$ 544

Dividend Policy

In determining whether and at what level to declare a dividend, we consider a number of factors including sustainability, operating performance, liquidity, and market conditions.

We paid a dividend of $0.15 per share during the third quarter of fiscal 2024. In November 2024, the Board authorized a dividend of $0.15 per share for the fourth quarter of fiscal 2024.

Share Repurchases

Certain information about the Company's share repurchases is set forth in Note 7 of Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q.

Summary Disclosures about Contractual Cash Obligations and Commercial Commitments

There have been no material changes to our contractual obligations and commercial commitments as disclosed in our Annual Report on Form 10-K as of February 3, 2024, other than those which occur in the normal course of business. See Note 9 of Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q, for disclosures on commitments and contingencies.

Critical Accounting Policies and Estimates

There have been no significant changes to our critical accounting policies and estimates as discussed in our Annual Report on Form 10-K for the fiscal year ended February 3, 2024. See Note 1 of Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q, for disclosures on accounting policies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Our market risk profile as of February 3, 2024 is disclosed in our Annual Report on Form 10-K and has not significantly changed other than as noted below.

As of November 2, 2024, we had $250 million in short-term investments and $8 million in cash equivalents which were recorded on the Condensed Consolidated Balance Sheet. Changes in interest rates impact the fair value of our investments and the interest income derived from our investments.

See Notes 4, 5, and 6 of Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q, for disclosures on our debt and credit facilities, investments, and derivative financial instruments.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

There was no change in the Company’s internal control over financial reporting that occurred during the Company’s third quarter of fiscal 2024 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

As a multinational company, we are subject to various proceedings, lawsuits, disputes, and claims ("Actions") arising in the ordinary course of our business. Many of these Actions raise complex factual and legal issues and are subject to uncertainties. Actions filed against us from time to time include commercial, intellectual property, customer, employment, securities, and data privacy claims, including class action lawsuits. The plaintiffs in some Actions seek unspecified damages or injunctive relief, or both. Actions are in various procedural stages, and some are covered in part by insurance.

We cannot predict with assurance the outcome of Actions brought against us. Accordingly, developments, settlements, or resolutions may occur and impact operations in the quarter of such development, settlement, or resolution. However, we do not believe that the outcome of any current Action would have a material effect on our financial results.

Item 1A. Risk Factors.

There have been no material changes in our risk factors from those disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended February 3, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

In February 2019, the Board approved a $1.0 billion share repurchase authorization, which has no expiration date. There were no shares repurchased, excluding shares withheld to settle employee tax withholding payments related to the vesting of stock units, during the 13 weeks ended November 2, 2024. The February 2019 repurchase program had $476 million remaining as of November 2, 2024.

Item 5. Other Information.

During the 13 weeks ended November 2, 2024, none of our directors or Section 16 officers adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408(a) of Regulation S-K, except as follows:

On September 19, 2024, Mark Breitbard, President and CEO of Gap brand, adopted a trading plan intended to satisfy the affirmative defense of Rule 10b5-1(c) to sell up to 964,990 shares of Gap Inc. common stock (all pursuant to unexercised stock options granted from 2017 to 2022). Unless otherwise terminated pursuant to its terms, the plan will terminate on December 31, 2025, or when all shares under the plan are sold.

On September 11, 2024, Julie Gruber, Chief Legal and Compliance Officer and Corporate Secretary, modified a trading plan previously adopted on August 29, 2023, intended to satisfy the affirmative defense of Rule 10b5-1(c). Previously, the plan provided for the sale of up to 417,892 shares of Gap Inc. common stock (including 161,804 shares pursuant to unexercised stock options granted from 2014 to 2022). 196,565 shares were sold under the plan before the modification date. As modified, up to 492,578 shares of Gap Inc. common stock may be sold under the plan (including 326,368 shares pursuant to unexercised stock options granted from 2015 to 2020). This figure does not include shares already sold under the plan. Unless otherwise terminated pursuant to its terms, the modified plan will still terminate on September 2, 2025, or when all shares under the plan are sold.

On September 4, 2024, Chris Blakeslee, President and CEO of Athleta, adopted a trading plan intended to satisfy the affirmative defense of Rule 10b5-1(c) to sell up to 103,246 shares of Gap Inc. common stock. Unless otherwise terminated pursuant to its terms, the plan will terminate on August 29, 2025, or when all shares under the plan are sold.

On September 3, 2024, Katrina O'Connell, Chief Financial Officer, adopted a trading plan intended to satisfy the affirmative defense of Rule 10b5-1(c) to sell up to 550,543 shares of Gap Inc. common stock (including 221,216 shares pursuant to unexercised stock options granted from 2015 to 2022). Unless otherwise terminated pursuant to its terms, the plan will terminate on September 3, 2025, or when all shares under the plan are sold.

Item 6. Exhibits.

		Incorporated by Reference				
Exhibit No.	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed/ Furnished Herewith
3.1	Restated Certificate of Incorporation	10-Q	1-7562	3.1	August 30, 2024	
3.2	Amended and Restated Bylaws (effective August 15, 2022)	10-Q	1-7562	3.3	August 26, 2022	
10.1†	Form of Amendment No. 1 to 2024 Performance Share Agreement under the 2016 Long-Term Incentive Plan	8-K	1-7562	10.1	October 11, 2024	
31.1	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer of The Gap, Inc. (Section 302 of the Sarbanes-Oxley Act of 2002)					X
31.2	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer of The Gap, Inc. (Section 302 of the Sarbanes-Oxley Act of 2002)					X
32.1	Certification of the Chief Executive Officer of The Gap, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2	Certification of the Chief Financial Officer of The Gap, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101	The following materials from The Gap, Inc.'s Quarterly Report on Form 10-Q for the quarter ended November 2, 2024, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Comprehensive Income, (iv) the Condensed Consolidated Statements of Stockholders' Equity; (v) the Condensed Consolidated Statements of Cash Flows; and (vi) Notes to Condensed Consolidated Financial Statements					X
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)					X

† Indicates management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE GAP, INC.

Date:	November 26, 2024	By /s/ Richard Dickson Richard Dickson President and Chief Executive Officer (Principal Executive Officer)
Date:	November 26, 2024	By /s/ Katrina O'Connell Katrina O'Connell Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATIONS

I, Richard Dickson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Gap, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 26, 2024

/s/ Richard Dickson

Richard Dickson
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Katrina O'Connell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Gap, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors:

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 26, 2024

/s/ Katrina O'Connell

Katrina O'Connell
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of The Gap, Inc. (the "Company") on Form 10-Q for the period ended November 2, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard Dickson, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 26, 2024

/s/ Richard Dickson

Richard Dickson
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of The Gap, Inc. (the “Company”) on Form 10-Q for the period ended November 2, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Katrina O'Connell, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 26, 2024

/s/ Katrina O'Connell
Katrina O'Connell
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)